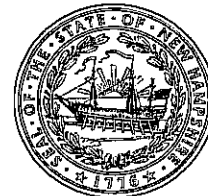




The State of New Hampshire  
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner  
February 11, 2009

The Honorable Martha Fuller Clark, Chair  
Energy, Environment and Economic Development Committee  
Legislative Office Building, Room 102  
Concord, New Hampshire 03301

**RE: SB 107-FN – relative to the leasing of state-owned real estate on public waters.**

Dear Chairman Fuller Clark:

Thank you for the opportunity to comment on SB 107, relative to the leasing of state-owned real estate on public waters. This bill addresses the recommendations of the Commission Regarding the Leasing of State-owned Real Estate on Public Waters (the "HB 710 Commission"). The Department of Environmental Services (DES) supports SB 107 with two suggested amendments to Paragraph 1 of the bill. Specifically, as discussed below, we recommend that the proposed RSA 4:39-d, IV be struck from the bill and that RSA 4:39-d, VI be made only applicable to railroad properties administered by the Department of Transportation.

The proposed section RSA 4:39-d, IV eliminates, for purposes of RSA 4:40, the requirement that the land for lease be first offered to political subdivisions. This requirement exists for other land leases reviewed by the Council on Resources and Development. The existing process provides opportunity for a municipality or county in which the land is situated to acquire or lease the parcel for a public purpose before a parcel is leased to a private individual. We believe that this process has worked well in the past and should not be eliminated.

The proposed section RSA 4:39-d, VI requires that the cost of each lease be \$30 per running foot per year and that the cost per running foot for these leases be adjusted every 5 years according to the Consumer Price Index. We do not believe that the Commission intended that this provision be applied to properties other than railroad properties administered by the Department of Transportation. With respect to properties leased by DES, the Commission noted that these leases include several categories and have various anomalies, particularly regarding pricing, and recommended that DES address these anomalies through the legislative process, if necessary. To this end, DES is currently working with the sponsors of HB 674, which, if enacted will in part modify how DES administers the existing Lake Francis Lease Program. Further, DES will review and revise its lease pricing schedule for its waterfront parcels on other waterbodies, as appropriate, in the near future based on an updated appraisal of the value of specific properties.

If you have any questions or need additional information, please do not hesitate to call Mark Stevens at 271-1960 or me at 271-2958.

Very truly yours,

*Michael R. Wallby, Ass't Comm.*  
for Thomas S. Burack  
Commissioner

CC: Senator Sgambati  
Senator Reynolds  
Senator Denley  
Representative Benn  
Representative Campbell  
Representative Renzullo

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